

Mission:

*To advance economic prosperity, health and quality of life
in Indiana and beyond.*



Sustainability Marketing

A Guide to Success with Sustainability

Agenda

- **Introduction to Sustainability**
- Opportunities and Benefits
- Regulations and Market Pressures
- Avoiding Greenwashing
- Tips for Success

Sustainability

"able to last or continue for a long time" – Merriam Webster



“Meeting the needs of the present without compromising the ability of future generations to meet their own needs.” – UN General Assembly, Report of the World

Commission on Environment and Development

"In every deliberation, we must consider the impact on the seventh generation... even if it requires having skin as thick as the bark of a pine."

– The Constitution of the Iroquois Nations

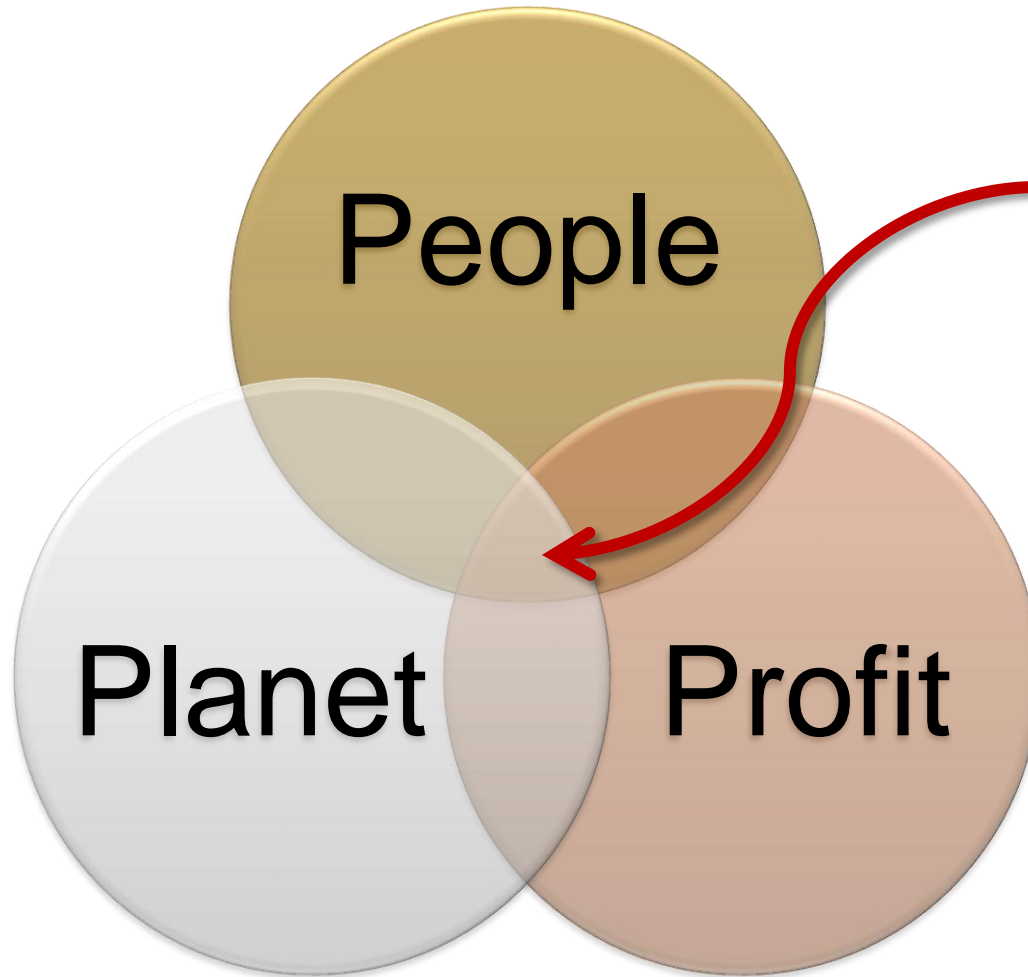


Sustainability Core Concepts

1. *Sustainability “Triple Bottom Line”*
2. *Environmental WASTE Categories*
3. *4R WASTE Hierarchy*
4. *WASTE Inputs & Outputs*



Actual Sustainability



Sustainability =
delicate balance of
all three factors in
the Triple Bottom
Line



Sustainability “Triple Bottom Line”

Profit (Economic)

- Improves efficiency & lowers costs
- Reduces regulatory compliance costs
- Creates revenue enhancement opportunities

Planet (Environmental)

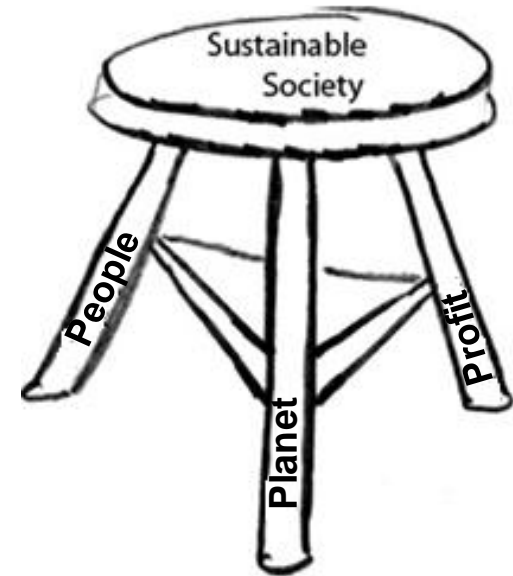


- Reduces demand for resources and energy from nature
- Reduces waste to nature

People (Equitable)



- More resources & energy become available for others
- Closing the loop generates new jobs
- Improving quality of life for employees and community



Environmental WASTE Categories

Water



Air



Solids



Toxicity
(Chemicals)



Energy



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Business Trends

- April 17, 2014 was “a historic day in Europe, where a new law will require its biggest companies to **include sustainability factors** as part of their annual financial report.”
- New EU law affects public companies with over 500 employees
- The largest companies are already on board, and marketing their sustainability efforts to the masses



Business Trends



a public service announcement from **method.**

THINGS THAT DO NOT BELONG IN TOILETS



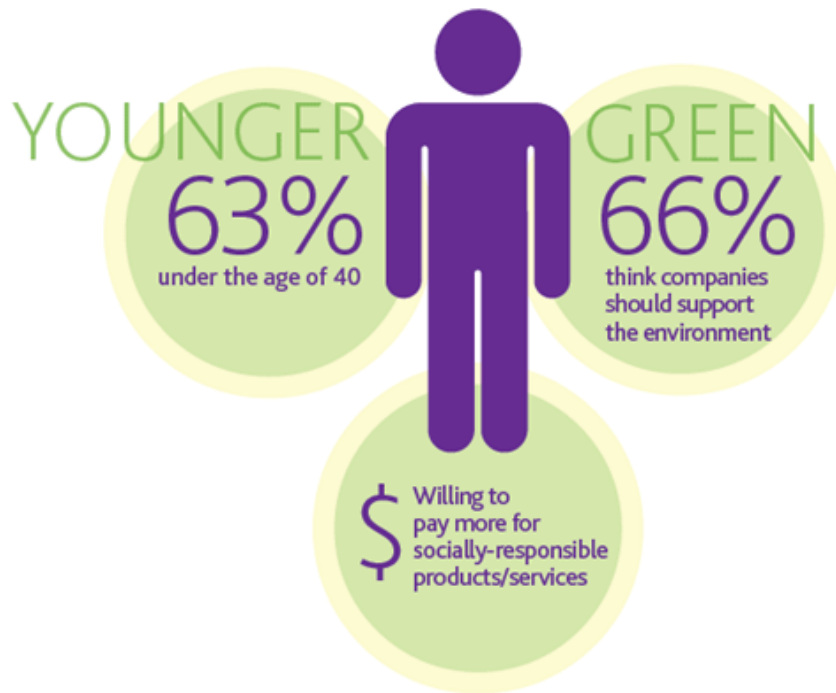
Business Trends

- Increasing options for sustainability certifications and seals available for more markets
- Consumers recognize green labels
- 40% of millenials see **style, status & environmentalism** as intertwined- 2013 survey by BBMG



Business Trends

WHO IS THE
GLOBAL, SOCIALLY-CONSCIOUS
CONSUMER?



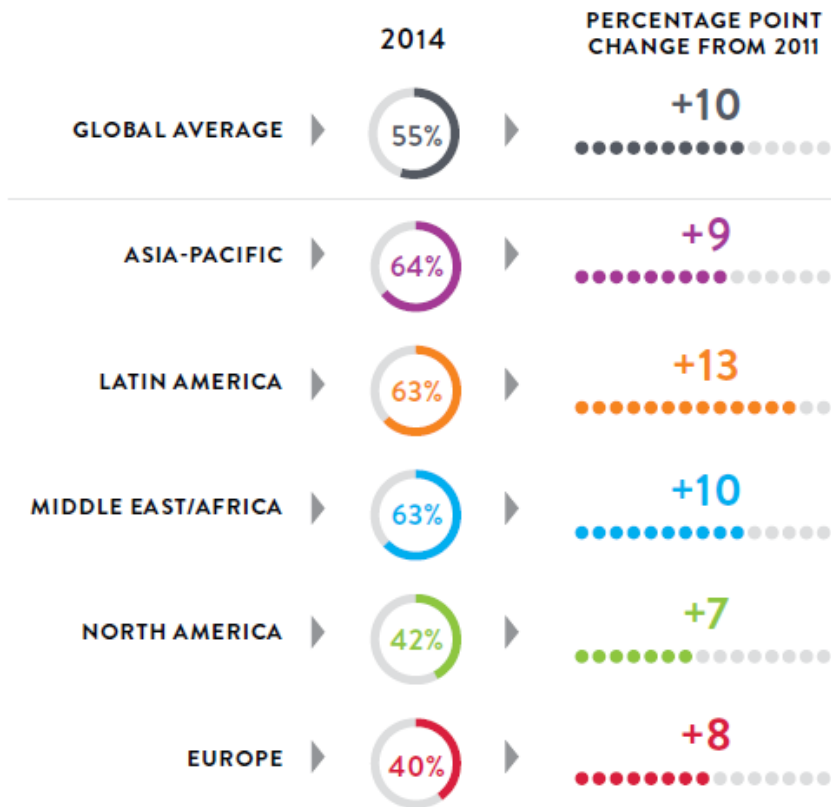
nielsen

- **66% of consumers prefer to buy products and services from companies that have implemented programs to **give back to society****



Business Trends

PERCENT WILLING TO PAY EXTRA FOR PRODUCTS AND SERVICES FROM COMPANIES COMMITTED TO POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT



- **More than half of all consumers globally say they are willing to pay extra for products and services from sustainable companies**



Business Opportunities

- Market distinction
- **New growth** opportunities & segmentation strategy
 - Niche markets
 - Government
 - Grant funding



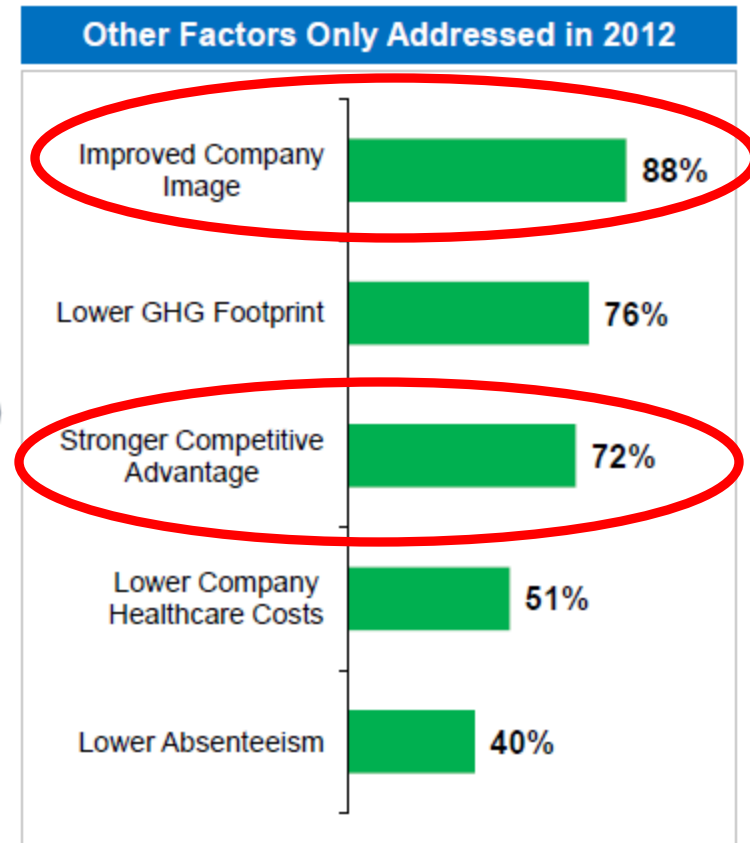
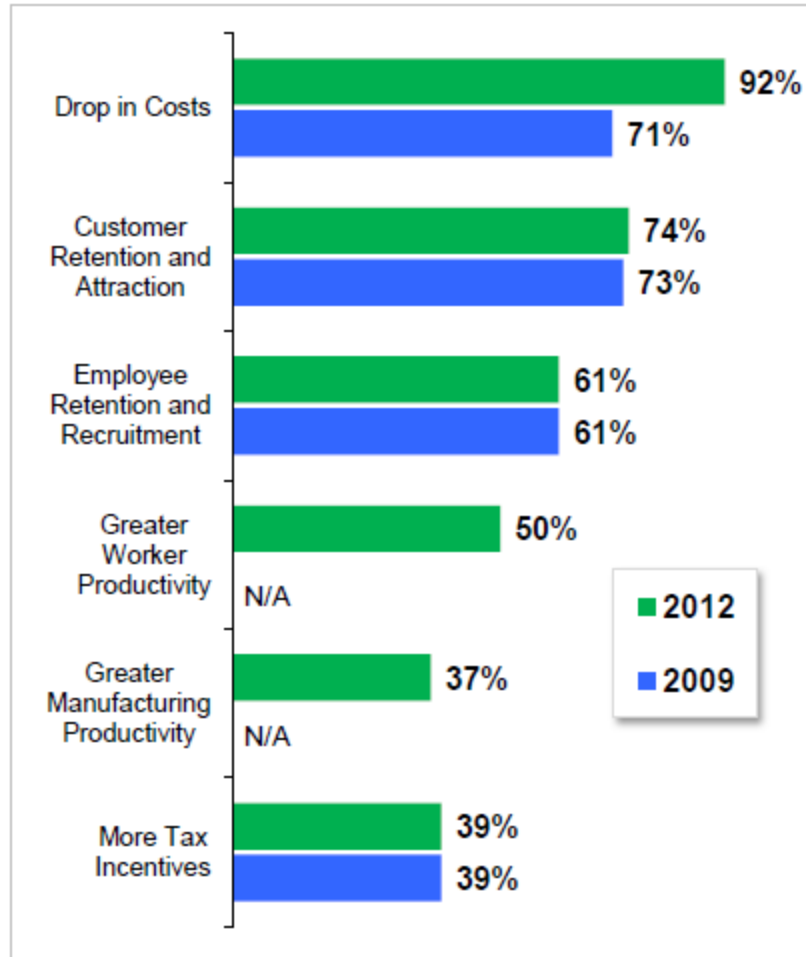
The Stages of Sustainability

Stage	Description	Key Attitudes
Stage 1	Green not part of the organization mission	View Environmental Initiatives as Costs
Stage 2	Green enters into the organization mission as it is legally required	
Stage 3	The organization considers the proactive application of Green to be consistent with the profit mission	Sustainability can save money
Stage 4	The organization transforms into a Green organization. Green is viewed more as an opportunity than a cost	Sustainability part of corporate strategy
Stage 5	The organization approaches business as a holistic, restorative company	

McGraw Hill
CONSTRUCTION



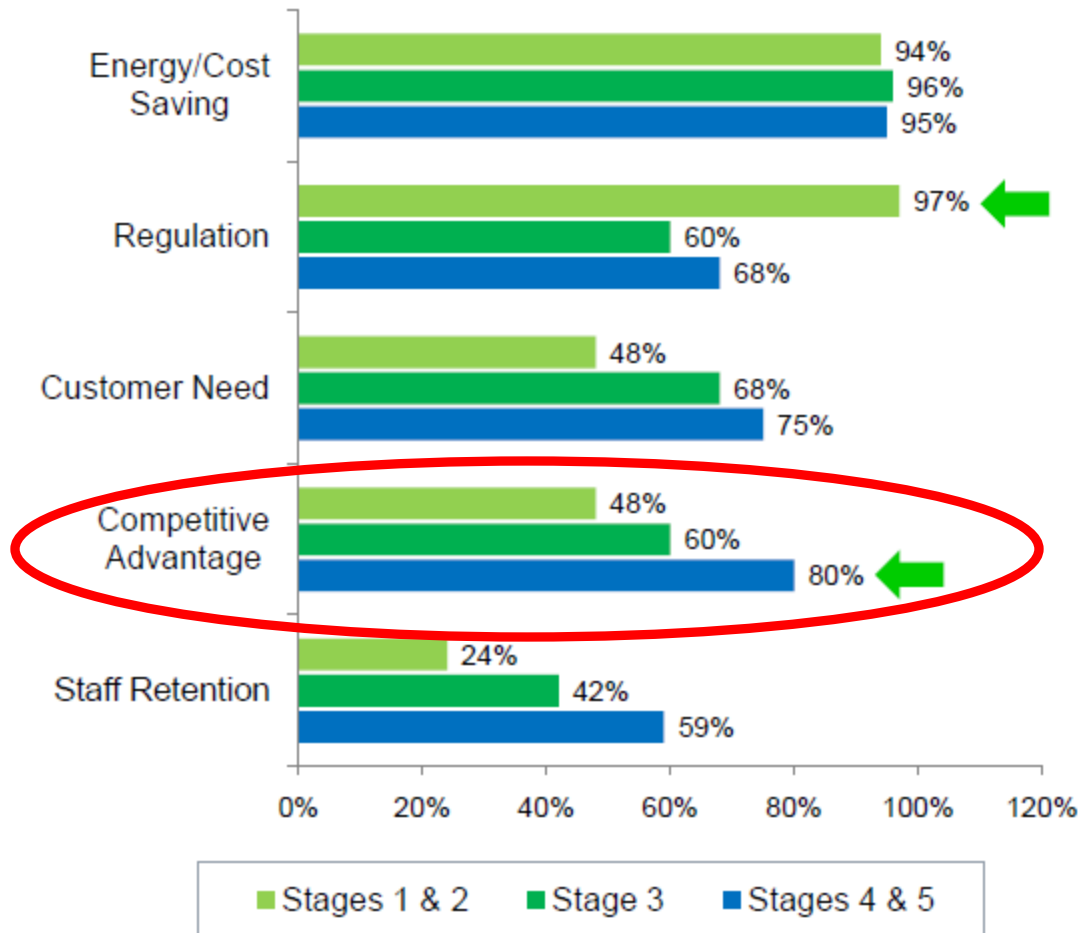
Sustainability is Tied to Business Benefit



**McGraw Hill
CONSTRUCTION**



Examples of Key Drivers by Stage



- On average, 81% Report that the Public is Expecting Sustainability from Corporate America - up from 66% in 2009
- All are driven by energy and cost savings...*but*
- Firms in higher stages also recognize importance of intangible metrics



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- **Regulations and Market Pressures**
- Avoiding Greenwashing
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Common Claims

Low-VOC

Eco-Friendly
Organic Content

Chemical-Free

CARBON NEUTRAL

Zero Waste Facility

Certified Green

100% NATURAL



Green Guides

- Marketing claims must be backed up with scientific evidence
- Basic Truth-in-Advertising principles still apply
- The Federal Trade Commission tracks and responds to false claims



Green Guides



- Green Guides launched in 1992 by Federal Trade Commission
- “designed to help marketers ensure that the claims they make about the environmental attributes of their products are truthful and non-deceptive”



Green Guides

- Identifies types of environmental claims the FTC “may or may not find deceptive under Section 5 of the FTC Act.”
- *“Under Section 5, the agency can take enforcement action against deceptive claims, which ultimately can lead to Commission orders prohibiting deceptive advertising and marketing and fines if those orders are later violated.”*



Green Guide Revisions

- FTC does not address use of the terms “sustainable,” “natural,” and “organic”
 - “Organic” textiles/ materials are covered by USDA’s *National Organic Program*



Green Guide Revisions



- Do not make broad, unqualified claims if a product is “environmentally friendly” or “eco-friendly”
- It is your responsibility to research potential trade-offs before marketing something as having an *overall* environmental benefit
- E.g. “*Eco-friendly, made with bamboo!*” may be misleading if bamboo harvested is destroying rainforests



Green Guide Revisions

■ Degradable

- ❑ Do not make unqualified 'degradable' claim for a solid waste product
- ❑ Entire product or package **MUST** completely break down and return to nature within one year after customary disposal
- ❑ Items destined for landfills, incinerators, or recycling facilities will **NOT** degrade within a year



Green Guide Revisions

■ Compostable

- ❑ All materials in the product or package become part of usable compost safely
- ❑ Must compost in about the same time as the materials with which it is composted
- ❑ Qualify claim if not possible to safely or timely compost at home



Green Guide Revisions

- Certifications and Seals of Approval
 - ❑ Covered by the [FTC's Endorsement Guides](#)
 - ❑ Clearly convey the basis for the certification
 - ❑ Disclose relationship with endorser if it affects credibility



Green Guide Revisions

■ Certifications and Seals of Approval



the BIFMA sustainability standard



- A plush chair with a **BIFMA seal** means that the entire chair takes into account *“a company’s social actions, energy usage, material selection and human and ecosystem health impacts, level addresses how a product is sustainable from multiple perspectives.”*
- A plush chair with a **Forest Stewardship Council seal** means that *only* the wood components have been certified, and this seal should come with a qualifier



Green Guide Revisions

- Certifications and Seals of Approval
 - Marketers can qualify certifications based on attributes that are **too numerous** to disclose by saying, *“Virtually all products impact the environment. For details on which attributes we evaluated, go to [a website that discusses this product].”*
 - The marketer should make sure that the website provides the referenced information, and that the information is truthful and accurate.



Green Guide Revisions



■ Carbon Offsets

- ❑ Use appropriate accounting methods
- ❑ *Do not* sell them more than once
- ❑ Disclose whether the offset purchase pays for emission reductions that won't occur for *at least two years*
- ❑ *Do not* advertise a carbon offset if the law already requires the activity that is the basis of the offset



Green Guide Revisions



■ Free-of Claims

- ❑ Contains no more than would be found in trace amounts or background levels
- ❑ Amount found does not cause harm typically associated with substance
- ❑ Substance not intentionally added to product
- ❑ Don't claim 'free-of' one substance if it contains another substance with similar environmental risk
- ❑ Be careful not to claim "improved" if substance was not there to begin with



Green Guide Revisions

■ Non-toxic Claims

- ❑ Considered safe for both humans and environment
- ❑ Must provide competent scientific evidence for both



Green Guide Revisions



■ Made with Renewable Energy

- ❑ “All, or virtually all, the significant manufacturing processes involved in making the product or package are powered with” renewable energy or RECs
- ❑ Can purchase RECs (Renewable Energy Certificates)
- ❑ Or Qualify claims, “Made in a facility that *hosts* solar energy,” if selling own RECs
- ❑ Best to specify, “*Made with Wind Energy*”



Green Guide Revisions



- Made with Renewable Materials
 - ❑ Can be misunderstood for ‘recyclable’ or ‘biodegradable’
 - ❑ Best to be abundantly clear to avoid confusion
 - ❑ *“This package is made from 50% plant-based renewable materials. Because we turn fast-growing plants into bio-plastics, only half of our product is made from petroleum-based materials.”*



Green Guide

- Ozone-Friendly or Ozone-Safe
 - It is deceptive to misrepresent that a product is ozone-friendly or safe for the ozone layer or atmosphere



Green Guide

■ Source Reduction

- Refers to reductions in weight, volume, or toxicity for product or packaging
- Clarify comparison baseline
- “10% less weight” vs. “10% less weight than our previous product”



Image: gemssty.com



Green Guide

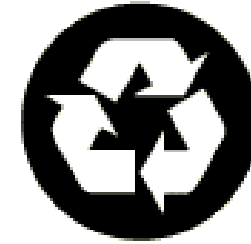


■ Recyclable

- ❑ 60% of consumers/ communities where sold must have access to recycling center that can process
- ❑ If not, qualify your claim with, *"This product may not be recyclable in your area."*
- ❑ If it's difficult to recycle, qualify with, *"This product is recyclable only in the few communities that have appropriate recycling programs."*



Green Guide



100%
TOTAL RECOVERED FIBER
10% POSTCONSUMER FIBER

■ Recycled Content

- ❑ Only claim for materials diverted from waste stream during manufacturing or after consumer use
- ❑ Qualify claims with percentage, “*60% Recycled Content*”
- ❑ Qualify recycled content claims clearly and prominently to avoid deception about components that are used, reconditioned, or re-manufactured



Green Guide

■ Refillable

- Provide a way to refill the package
 - Provide a system to collect and refill the package
 - Sell a product consumers can use to refill the original package.



Green Guides

- Be careful about broad claims
 - Be specific to qualify details if using a broad claim
 - Do not imply significant environmental benefit
- Seals and Certifications do not negate the need to be clear about actual implications
 - If endorsement comes from agency with “material connection” you should be clear about relationship
- If your product is only *partially* qualified, be clear: “Made with 50% renewable energy”



Green Fatigue

- Improving the planet is a daunting task
- Consumers are overwhelmed
- Give consumers an easy choice
- **Tell a story** to bring the problem to scale



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Definition

Definition of *greenwash* in English:

greenwash

Syllabification: green·wash

Pronunciation: /'grēn,wāSH, -wôSH  /

(also **greenwashing**)

NOUN

Disinformation disseminated by an organization so as to present an environmentally responsible public image:

'the recycling bins in the cafeteria are just feeble examples of their corporate greenwash'



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Risk Avoidance

- Greenwashing is a risk that may result in
 - ❑ Fines & penalties by FTC
 - ❑ Increased liability
 - ❑ Increasing consumer demand for transparency
 - ❑ Legal retribution
 - ❑ Social Media backlash



Risk Avoidance

- Increasing awareness about growing lists of 'Chemicals of Concern'
- **Red flagged** lists are becoming prevalent in some industry certifications
 - Cradle to Cradle
 - LEED
- Walmart announced policy to remove **10 priority hazardous chemicals** from ALL products in supply chain



Risk Avoidance

- Pepsico sued for using term “all natural” and other health claims on Naked Juice products
- Class action lawsuit on behalf of Texan resident
- \$9 Million settlement
- **Social Media** backlash



Justine Feldt

Liars! I supported your brand because I believed your GMO Free labeling. Now that I know that you all do have GMOs in your product, I am making my switch to other brands such as Bolthouse Farms.

Like · Comment · Sunday at 12:39pm



2 people like this.

Top Comments ▾



Write a comment...



Naked Juice Justine, thank you for sharing. We just wanted to point out that our bottles were not labeled GMO Free. However, Naked juice and smoothies will continue to be labeled "non-GMO," and until there is more detailed regulatory guidance around the word "natural" —we've chosen not to use "All Natural" on our packaging. BTW, our juices and smoothies are made with all-natural fruits and vegetables—with no added sugar and no preservatives. In some products, we also include an added boost of vitamins. Though we understand this might not change your point of view about us, we wanted to at least share the correct information about our brand with you.

Like · Reply · Sunday at 4:56pm



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- **Tips for Success**

Getting Started

■ Understand where you are now

- ❑ Are you tracking already?
- ❑ Do you have a Sustainability Initiative?
- ❑ Is there a team or committee?
- ❑ Have there been efforts in the past? If so, why didn't they succeed (changing culture, cost?)
- ❑ What is your current company culture?
- ❑ What are your goals and vision for the future?



Getting Started

■ Understand where you are now

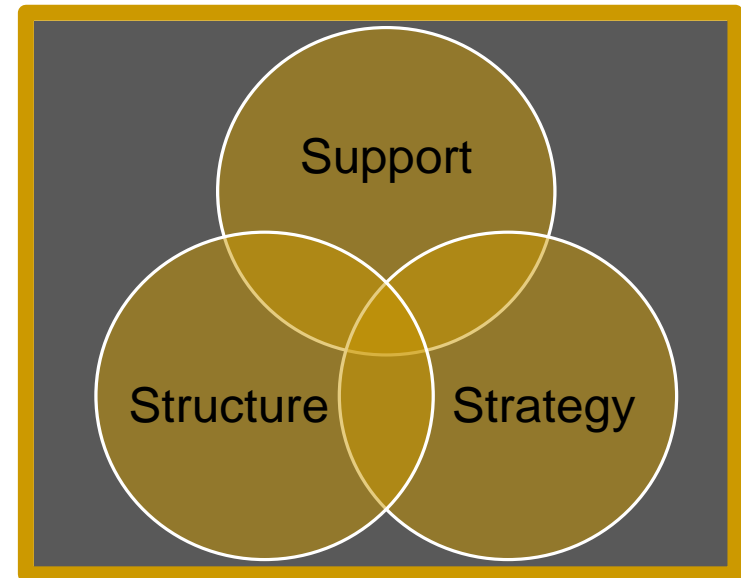
- Consider surveying employees and/or customers
 - What do they **know** about sustainability?
 - What do they **think** the company is doing already?
 - What projects would they **like** to see the company pursue?



Getting Started

Green Teams....getting started

1. **Secure Support from Management**
2. **Form a Team**
3. **Develop a Plan**



Getting Started

■ Verify Results

- ❑ Be careful not too overinflate claims or extrapolate
- ❑ Consider **external verification** for new claims
- ❑ Business mentors are great critiques!
- ❑ Consider getting **certifications or endorsements** to gain credibility with new sustainability initiatives (BIFMA, etc.)



Getting Started

■ Share your Success!

- ❑ Early, small achievements are key to engagement
- ❑ Newsletters, flyers, company meetings are all great opportunities to let employees know what the company is working towards
- ❑ Engage **your community** and get media coverage!



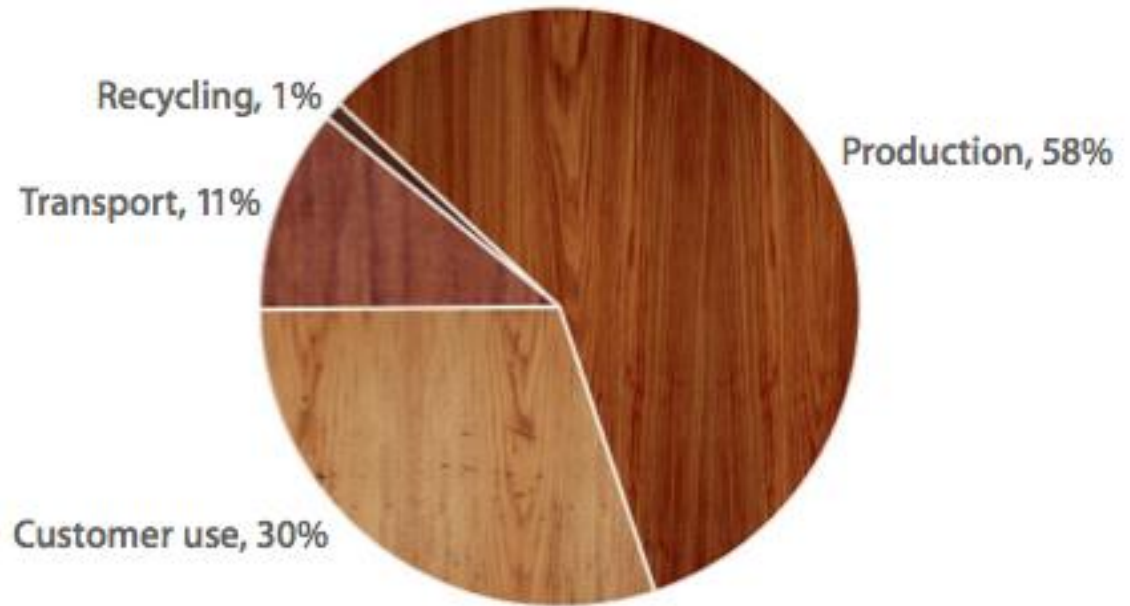
Certifications

- Reduce risk with Third Party Certification to back up green claims
- Multiple entities available- choose the right one for your market and your company goals



Transparency Examples

Greenhouse Gas Emissions for iPad (Wi-Fi + 3G model)



Total greenhouse gas emissions: 130 kg CO₂e



Transparency Examples



TOPICS:	FY11-TARGET	STATUS
CONSIDERED DESIGN INDEX	<ul style="list-style-type: none"> Make Nike Brand facilities and business travel climate neutral by FY11. Make Nike, Inc. facilities climate neutral by FY15. 	<ul style="list-style-type: none"> ACHIEVED LONG-TERM TARGET PROGRESS APPROACH MEET
CLIMATE	<p>FY11-TARGET</p> <ul style="list-style-type: none"> Make Nike Brand facilities and business travel climate neutral by FY11. Make Nike, Inc. facilities climate neutral by FY15. 	4%
TARGET ONE	<p>Increased emissions from business travel 88.7% (from 30,307 to 57,200 tCO₂) over the same period; stopped purchasing carbon offsets in FY09. From FY08 to FY11, overall CO₂ emissions grew just 0.8%, even as NIKE Brand revenues increased 10.7%.</p> <p>As discussed in our FY07-09 reporting, target no longer aligns with our sustainability strategy, as it relied upon offsets but did not address overall energy use. For the greatest impact, we now prioritize investing in saving energy – including in our contracted factory base – instead of purchasing carbon offsets.</p>	88.7%
TARGET TWO		
TARGET THREE		
TARGET FOUR		
TARGET FIVE		



What's Next?



Conclusion

Thank you!



TECHNICAL ASSISTANCE
PROGRAM

Central Office:
6640 Intech Park
Indianapolis, IN
(800) 877.5182
tapmep@purdue.edu

Kelly Weger, RA, LEED AP

(317) 275.6817
weger@purdue.edu

